LINE-ITEM VETO/Deficit Reduction and Tax Cuts

SUBJECT: Legislative Line Item Veto Act of 1995 . . . S. 4. Coats motion to table the Feingold/Simon amendment No. 362 to the Dole substitute amendment No. 347.

ACTION: MOTION TO TABLE AGREED TO, 54-44

SYNOPSIS: Pertinent votes on this legislation include Nos. 109 and 111-115.

As reported, S. 4, the Legislative Line Item Veto Act of 1995, will grant the President enhanced power to rescind spending in appropriations bills, and direct (generally entitlement) spending bills. Rescissions would remain in effect unless Congress passed a disapproval resolution and, if necessary, overrode a presidential veto by the usual two-thirds margin in both Houses.

The Dole substitute amendment would replace the provisions of S. 4 with provisions that would mandate the separate enrollment as bills of line items in all spending bills, in all bills containing new or expanded direct spending programs, and in all bills containing targeted tax benefits.

The Feingold/Simon amendment would express the sense of the Senate that reducing the Federal deficit should be one of the Nation's highest priorities, and that enacting an across-the-board or so-called middle class tax cut during the 104th Congress would hinder efforts to reduce the Federal deficit.

Debate was limited by unanimous consent. Following debate, Senator Coats moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

Middle-income Americans deserve a tax cut. In 1950, a median-income family of four sent \$1 out of \$50 to Washington, D.C. In 1990 that same family of four sent \$1 out of \$4. When State and local taxes are figured in, more than 40 percent of an average family's income is seized by tax collectors. This year, "tax freedom day" will fall on May 15. Until that day, the average taxpayer is working to pay their annual taxes. Senators who tell us that we cannot give tax breaks because we have to reduce the deficit are

(See other side)

YEAS (54)			NAYS (44)			NOT VOTING (2)	
	Republicans Democrats (46 or 87%) (8 or 18%)		Republicans (7 or 13%)	Democrats (37 or 82%)		Republicans Democrats	
						(1)	(1)
Abraham Ashcroft Bennett Bond Brown Burns Coats Cochran Coverdell Craig D'Amato DeWine Dole Domenici Faircloth Frist Gorton Grams Grassley Gregg Hatch	Helms Hutchison Inhofe Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Pressler Roth Santorum Simpson Smith Snowe Stevens Thomas Thompson Thurmond Warner	Baucus Biden Bradley Kennedy Kohl Lautenberg Lieberman Rockefeller	Campbell Chafee Cohen Jeffords Kassebaum Packwood Specter	Akaka Bingaman Boxer Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feingold Feinstein Ford Glenn Graham Harkin	Hollings Inouye Johnston Kerrey Kerry Leahy Levin Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Sarbanes Simon Wellstone	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent inced Yea inced Nay Yea

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underestimating the harm that this oppressive taxation is causing. They are underestimating the need to cut taxes. We are not denying the need to cut the deficit as well. We agree with our colleagues that a lower deficit will lead to lower interest payments, thus helping average Americans greatly, and we will do our utmost to cut it as our first priority. Ironically, most of this amendment's supporters opposed the balanced budget amendment, the passage of which would have greatly lowered interest rates according to the two most prestigious economic forecasting firms in the country, the Wharton School and Date Resources, Inc. The defeat of the balanced budget amendment has undoubtedly made the difficult task of achieving both deficit reduction and tax relief even more daunting, but we will not shrink from the task. We will not agree to the Feingold/Simon amendment, thereby conceding defeat before we even try.

Those opposing the motion to table contended:

Our first priority is reducing the deficit and debt, which are lowering standards of living for average Americans and future generations. Any spending cuts or tax increases that are made should be used to reduce the deficit. Giving savings directly to the people in the form of tax cuts would not be as beneficial for two reasons. First, it would result in a greater accumulation of debt, and thus higher interest payments on that debt. Americans would suffer as a greater share of their Federal Government's revenues had to be spent on debt servicing. Second, increasing the U.S. debt and increasing the amount of money in the middle classes' hands would have an inflationary effect that could well result in a net loss of income in real terms for those Americans who have their taxes cut. We sympathize with our colleagues desire to cut taxes on the middle class, but at this time it would be a terrible mistake. We therefore oppose the motion to table the Feingold/Simon amendment.